

115TH CONGRESS
1ST SESSION

H. R. 3507

To amend the Internal Revenue Code of 1986 to make permanent and modify the energy efficient commercial buildings deduction, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2017

Mr. REICHERT (for himself, Mr. BLUMENAUER, and Mr. REED) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to make permanent and modify the energy efficient commercial buildings deduction, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ENERGY EFFICIENT COMMERCIAL BUILDINGS**
4 **DEDUCTION.**

5 (a) DEDUCTION MADE PERMANENT.—Section 179D
6 of the Internal Revenue Code of 1986 is amended by strik-
7 ing subsection (h).

1 (b) ALLOCATIONS OF DEDUCTIONS.—Paragraph (4)
2 of section 179D(d) of such Code is amended to read as
3 follows:

4 “(4) ALLOCATION OF DEDUCTION FOR CERTAIN
5 PROPERTY.—

6 “(A) PROPERTY HELD BY GOVERNMENTS
7 AND NONPROFITS.—In the case of energy effi-
8 cient commercial building property installed on
9 or in property owned by a Federal, State, local,
10 or Indian tribal government, or a political sub-
11 division thereof, or by an organization that is
12 described in section 501(c)(3) and exempt from
13 tax under section 501(a), the Secretary shall
14 promulgate a regulation to allow the allocation
15 of the deduction to the person primarily respon-
16 sible for designing the property in lieu of the
17 owner of such property. Such person shall be
18 treated as the taxpayer for purposes of this sec-
19 tion.

20 “(B) ALLOCATIONS TO PARTNERSHIPS
21 AND S CORPORATIONS.—In the case of an allo-
22 cation of a deduction under this section to a
23 partnership or S corporation, the Secretary
24 shall by regulation or other guidance allow the

1 full benefit of a deduction allocated under this
 2 paragraph at the partner or shareholder level.”.

3 (c) LOW-INCOME HOUSING EXCEPTION TO BASIS
 4 REDUCTION.—Subsection (e) of section 179D of such
 5 Code is amended by inserting “(other than property placed
 6 in service in a qualified low-income building (within the
 7 meaning of section 42))” after “building property”.

8 (d) CONFORMING AMENDMENTS.—

9 (1) The heading for section 179D of such Code
 10 is amended by inserting “**AND MULTIFAMILY**”
 11 after “**COMMERCIAL**”.

12 (2) The item in the table of sections for part
 13 VI of subchapter B of chapter 1 of such Code relat-
 14 ing to section 179D of such Code is amended by in-
 15 serting “and multifamily” after “commercial”.

16 (e) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided by para-
 18 graph (2), the amendments made by this section
 19 shall apply to property placed in service after De-
 20 cember 31, 2017.

21 (2) EXCEPTION FOR PERMANENCY.—The
 22 amendment made by subsection (a) shall apply to
 23 property placed in service after December 31, 2016.

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